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CHINATOWN COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

REVISED  
DRAFT FINAL PLAN

NOVEMBER 1991

Prepared by

THE CHINATOWN ECONOMIC DEVELOPMENT TASK FORCE

with

The Mayor's Office of Business and Economic Development

The Mayor's Office of Housing and Community Development

The San Francisco Redevelopment Agency

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## I. EXECUTIVE SUMMARY

The Chinatown Economic Development Task Force was convened by Mayor Agnos on June 5, 1991. The Task Force objective was to recommend how \$2 million earmarked for Chinatown from the San Francisco Redevelopment Agency should be allocated to help revitalize Chinatown's economy; and to guide the allocation proposal through a public approval process. The \$2 million was allocated in recognition of Chinatown's historical, cultural and economic importance to San Francisco, in hopes of helping Chinatown to flourish.

### Programs Already Implemented

Since the Loma Prieta earthquake, the Mayor's Office has taken many steps to bring lost business back to Chinatown. These steps have included:

- o Creation of express routes to Chinatown, with trailblazer signage highlighting the routes;
- o Creation and distribution of 250,000 maps to East Bay and Peninsula residents, highlighting the express routes;
- o Creation of the pilot Park and Ride Shuttle program;
- o Targeted efforts to improve aesthetics and access, such as replacement of barricades at Portsmouth Garage, Pilot lighting in the Stockton Tunnel, and increased garbage collection service;
- o Allocation of a portion of a \$70,000 Economic Development Administration Federal grant for Chinatown marketing;
- o Successful City application for an Enterprise Zone which includes a large portion of Chinatown.



The allocation of \$2 million of CDBG program income for economic development in Chinatown is an important additional step in bringing lost business back to Chinatown, but is not an end unto itself. Full economic recovery and growth depends upon an on-going program of economic, technical and community assistance to Chinatown.

#### Overview of Economic Development Plan

During the latter half of 1991, the Task Force met as a full body and in subcommittees to determine which programs should be implemented with the \$2 million. The subcommittees were created to address the four program areas of the economic development plan. The four program areas are:

1. Access Improvements
2. Aesthetics Improvements
3. Marketing
4. Finance and Long-Range Planning.

A Preliminary Plan was developed which summarized all the possible programs that might be implemented. Given the limited amount of funds available for implementation, the Task Force selected 1 to 3 programs in each program area that they felt should be given greatest priority (see Appendix 1).

#### Priority Programs

The Final Plan outlines the priority programs and recommends an allocation of funds needed to implement each program. The priority programs that the







Task Force recommends implementing and the proposed allocation amounts are as follows:

<u>PROGRAM</u>	<u>ALLOCATION</u>
1. Access	
A. Operation and Marketing of Shuttle	\$600,000
2. Aesthetics	
A. Sidewalk Cleaning Program	250,000
B. Banners Program	50,000
3. Marketing	
A. Collateral Material Marketing Program	200,000
B. Chinatown Event Series	150,000
C. Major Chinatown Street Fair	150,000
4. Finance and Long-Range Planning	
A. Working Capital Loan Program	500,000
B. Chinatown Profitability Seminars	15,000
C. Chinatown Long-Range Planning Committee	<u>85,000</u>
TOTAL USES OF FUNDS	\$2,000,000

#### General Implementation Strategy

The Task Force recommends the following implementation procedures, intended to retain control of the \$2 million within the community, while ensuring a sufficient level of review and involvement by the City.



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The Chinatown Task Force recommends incorporation as a non-profit called the "Chinatown Economic Development Group" (CEDG). The CEDG will consist of a Board of Directors consisting of current members of the Chinatown Task Force, and a staff person paid for out of the \$2 million.

In addition, two ex-officio members will be appointed to the Board: a representative selected by the Redevelopment Commission, and a representative selected by the CDBG Citizens Committee for Community Development.

The CEDG Board of Directors would be responsible for approving the final RFQs and/or RFPs before they are issued by the staff person, reviewing staff recommendations regarding RFP responses, and awarding work. The Redevelopment Commission and Citizens Committee for Community Development will be informed of all CEDG approvals and awards. Funds will be disbursed by the Redevelopment Agency upon submission of receipts from the CEDG.

CEDG members and organizations in which they participate may respond to RFPs; however, they must excuse themselves from votes or discussions involving RFP responses by themselves or their organizations. It is assumed that there would be preference in the evaluation process for firms located in or serving the community.

#### Community Development Block Grant (CDBG) Funding



The programs in this document are being funded through San Francisco Redevelopment Agency program income, which is subject to all HUD Community Development Block Grant (CDBG) regulations. Program activities must be CDBG eligible activities and meet federally mandated national objectives.

In the event that any activity cannot be implemented for any reason, the funds allocated for this program will revert instead to the Working Capital Loan Fund pool, or to an alternative program developed by the CEDG.



## II. INTRODUCTION

The Chinatown Economic Development Task Force was convened by Mayor Agnos on June 5, 1991. The Task Force objective was to recommend how \$2 million earmarked for Chinatown from the San Francisco Redevelopment Agency should be allocated to help revitalize Chinatown's economy; and to guide the allocation proposal through a public approval process.

Many reasons have been cited for the economic distress currently experienced by Chinatown businesses. The prime factors, such as disruption of traditional access routes to Chinatown following the October 17, 1989 Loma Prieta earthquake, are unique to Chinatown. Other factors, such as the recession, are macroeconomic, and affect all city neighborhoods; however, Chinatown suffers disproportionately from such factors because so much of its business is tourist sensitive. The result is that many Chinatown businesses currently operate at the margin, and are unable to implement strategies to remain viable. It is feared business bankruptcies in Chinatown will continue to escalate, and that increasing numbers of Chinatown storefronts will be either occupied by businesses which are not consistent with community objectives, or at the extreme will remain vacant.

### Programs Already Implemented:

Since the Loma Prieta earthquake, the Mayor's Office has taken many steps to bring lost business back to Chinatown. These steps have included:





- o Creation of express routes to Chinatown, with trailblazer signage highlighting the routes;
- o Creation and distribution of 250,000 maps to East Bay and Peninsula residents, highlighting the express routes;
- o Creation of the pilot Park and Ride Shuttle program;
- o Targeted efforts to improve aesthetics and access, such as replacement of barricades at Portsmouth Garage, Pilot lighting in the Stockton Tunnel, and increased garbage collection service;
- o Allocation of a portion of a \$70,000 Economic Development Administration Federal grant for Chinatown marketing;
- o Successful City application for an Enterprise Zone which includes a large portion of Chinatown.

The allocation of \$2 million of CDBG program income for economic development in Chinatown is an important, additional step in bringing lost business back to Chinatown. However, even successful execution of every program recommended by the task force will not guarantee full economic recovery and growth. The long-term viability of Chinatown depends upon an on-going program of economic, technical and community assistance. The \$2 million is a good start.

#### Overview of Economic Development Plan

The Chinatown Economic Development Plan developed by the Task Force is presented in four sections, which follows the Task Force subcommittee structure:



1. Access Improvements
2. Aesthetics Improvements
3. Marketing
4. Finance and Long-Range Planning.

During Task Force deliberations, many good ideas emerged in each of these areas. Appendix 1 to this document presents the ideas approved by the Task Force which were not identified as priority programs, but which merit further study.

#### Community Development Block Grant (CDBG) Funding

The programs in this document are being funded through San Francisco Redevelopment Agency program income, which is subject to all HUD Community Development Block Grant (CDBG) regulations. Program activities must be CDBG eligible activities and meet federally mandated national objectives. CDBG regulations are affecting the programs' approach and structure, such as the development of for-profit programs for activities which would otherwise not be eligible. Certain objectives and proposed programs remain problematic for CDBG funds, but staff will continue to explore alternatives since these programs have been identified by the Task Force as important priorities.



## II. SUMMARY OF PROGRAMS

## 1. ACCESS

### **BACKGROUND:**

The disruption of freeway access to Chinatown due to the October 17, 1989 Loma Prieta Earthquake has made it more difficult for workers, tourists and residents to come into Chinatown. Other modes of transportation, such as BART and SAMTRANS, are excellent alternatives; however, their arrival points in San Francisco are not in close proximity to Chinatown. The Chinatown Task Force believes that improving accessibility to Chinatown and providing more parking for visitors are important priorities.

### Existing "Park & Ride" Program

In the summer of 1990, the City's Parking Authority initiated a pilot "Park and Ride" (Shuttle) program, at a cost of \$200,000 per year. Its ultimate goal was to promote the use of satellite parking to reduce traffic congestion and to increase patronage of businesses in Chinatown.

The present Shuttle program utilizes the Golden Gateway Garage, which is owned by the City and County of San Francisco, as the satellite parking site and operates two shuttle buses on Saturday and Sunday. The Shuttle runs from 10:00 a.m. to 6:00 p.m. There is validated free parking from 10:00 a.m. to twelve midnight on Saturday, and from 10:00 a.m. to 6:00 p.m. on Sunday. While early pilot results indicate that the Shuttle serves an important community need, the Chinatown Task Force believes this program



could add additional value to the community if it is more actively managed and marketed.

#### Parking Opportunities

To increase public awareness of parking opportunities within and around Chinatown, a marketing campaign needs to be developed that would inform Chinatown visitors of the available parking lots and parking garages within and around Chinatown. Information about parking opportunities could be included in brochures and maps being proposed in the Chinatown Task Force's Collateral Material Marketing Program.

#### Task Force Recommendation

A successful Shuttle program would reduce traffic and parking problems and make Chinatown more accessible for visitors. Increasing public awareness of parking opportunities within and around Chinatown would encourage more visitors. The Task Force recommends that community operation and support of the Shuttle program and a marketing campaign for parking opportunities be an integral part of the Chinatown economic development plan.

#### A. OPERATION AND MARKETING OF "PARK AND RIDE" SHUTTLE

##### **OBJECTIVE:**

To operate and effectively market a revised "Park and Ride" Shuttle program that would run frequently through Chinatown from parking garages outside of Chinatown and major public transportation nodes.

##### **ALLOCATION AMOUNT AND BASIS:**

\$600,000; for the first three years of operation. Funds would pay for operating, administrative and capital costs. The capital expenditures include purchasing two 25-passenger vans that would total approximately \$370,000. The cost estimate is based on a study prepared by a graduate student at San Francisco State University who analyzed the current "Park and Ride" program and prepared a cost estimate assuming that the management and operation of the Shuttle would be undertaken by a community organization. The overall capital expenditures may be reduced if alternative financing strategies for acquiring the vans, such as leasing, are determined by the selected operator to be more cost efficient.

The ultimate goal is to gain the support and financial assistance of the Chinatown merchants so that the Shuttle would be self-sufficient after the third year.

#### **PROGRAM DESCRIPTION AND STRUCTURE:**

The Task Force expects that the initial operating times for the Shuttle would be on Saturdays and Sundays from 10:00 a.m. to 10:00 p.m. If demand for the Shuttle service increases, the hours of operation would increase and extra days would be added to the operating schedule.

#### Shuttle Route

The original shuttle route began at the Golden Gateway Garage, located at Washington and Clay Streets, and heads up Columbus Street, turning around at Union Street, and then back to the parking garage.

A change in the shuttle route is necessary to better serve the Chinatown community. The development of an alternative route would likely involve additional service on major streets in Chinatown.

#### Marketing of Shuttle

In order for the Shuttle program to be successful, a marketing campaign would be initiated to ensure public awareness about the Shuttle program. It is expected that flyers would be created to pass out to potential visitors and advertisements about the Shuttle service would be included in the Chinatown Task Force Collateral Material Marketing Program to supplement marketing internal to the program.

#### **IMPLEMENTATION:**

The program is an eligible economic development activity under CDBG guidelines. Economic development activities imply creation of jobs through development of for-profit entities. However, the Chinatown community desires control of any profits, to be reinvested in the community. Therefore, it is expected that the successful bidder will be a community non-profit, and that the structure of the successful proposal will imply a for-profit arm of a community non-profit entity.

To ensure that the Shuttle program is as effective as possible, an open bid process will be employed. See "General Implementation Strategy" for a description of the process by which the CEDG will ensure that specifications of RFQs and RFPs, evaluation procedures, and process are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

## 2. AESTHETICS

### **BACKGROUND:**

A primary concern identified by the Task Force is the appearance and cleanliness of Chinatown. Task Force members and Chinatown merchants have cited cleanliness concerns as contributing to the drop in tourism and local visitors.

The Chinatown community is an extremely dense, compact area in which a wide variety of activities take place. The multitude of activities generate a great deal of litter and garbage. Inadequate public garbage receptacles, inadequate trash collection and a high concentration of garbage intensive businesses compound the problem.

### Existing "Sidewalk Cleaning" Program

In response to these concerns, the Chinatown Environmental Control Task Force (CECTF) was created to help keep Chinatown sidewalks clean and litter free. The CECTF has operated a sidewalk cleaning service for about five years with a crew of four people sweeping the sidewalks and alleyways and a crew of two people working at night steam cleaning these same areas.

At present, CECTF's sweeping crew clean the sidewalks and alleyways from California to Vallejo Streets and Kearney to Powell Streets, six hours daily, six days a week, including weekends, since that is the period of most intensive impact. Crew workers are generally older, monolingual speaking,



who have had difficulty securing employment because they do not speak English. Both crews are employees of Maintrain Maintenance Training Corporation, a non-profit organization specializing in training maintenance workers. CECTF presently contracts through Maintrain to keep insurance and workers' compensation costs in line. The current level of funding does not allow for health insurance coverage.

CECTF is now selling its cleaning services directly to businesses and property owners. The sidewalk sweeping service has been retained by owners of 505 Montgomery Street on a daily basis and the steam cleaning service is contracted on a once a month basis. The steam cleaning service is being provided on a one-shot or continuing basis throughout the northeast section of the City and a few contracts are now coming in. Since these for-profit operations have already been established, these programs are ideally positioned to be funded as a for-profit arm of a non-profit organization.

The Bank of Canton of California has fully funded the sidewalk cleaning program at a cost of approximately \$120,000 annually since 1987. The bank has informed CECTF that it will no longer fully fund the program. At present, there are sufficient funds to continue the cleaning operation through the end of the year. Timing will be critical to avoid any lapse in services.

### Banners Program

In addition to cleanliness concerns, the Task Force has identified the need for decorative identity in Chinatown. Flags or banners could provide a colorful, festive atmosphere and create a distinctive identity for Chinatown. A uniform design could reduce visual clutter and add aesthetically to the area.

### Task Force Recommendation

The Task Force recommends that CECTF be retained to continue and expand the sidewalk sweeping and steam cleaning program. A Banners Program should also be implemented to create a more colorful and festive atmosphere in Chinatown.



#### A. CHINATOWN SIDEWALK CLEANING PROGRAM

##### **OBJECTIVE:**

To continue the present sidewalk cleaning program to keep Chinatown clean and litter free; and to revise the structure of the organization as a for-profit arm of a non-profit organization.

##### **ALLOCATION AMOUNT AND BASIS:**

\$250,000; Amount reflects increase to eight hours per day, inclusion of health insurance for workers and administrative staffing, increased workers compensation costs and other insurances.

##### **PROGRAM DESCRIPTION AND STRUCTURE:**

The current sidewalk cleaning and steam cleaning operations will be changed to for-profit divisions of an existing non-profit operation or a non-profit organization yet to be formed.

Present employees would be employed under the new non-profit; existing arrangement with Maintrain will have to be redefined. An administrative structure must be developed to manage the for-profit operations. The administrative staff will manage the operations under the non-profit's Board of Directors, or another body as yet to be determined by the Task Force.

Sidewalk cleaning may be expanded to cover more geographical area if demand for services is evident. An aggressive marketing campaign will be launched

to market the sidewalk sweeping and steam cleaning services to businesses and property owners throughout the City. A business plan will be developed as a blueprint for future operation and expansion.

#### **IMPLEMENTATION:**

The program is an eligible economic development activity under CDBG program guidelines. Economic development activities imply creation of jobs through development of for-profit entities. However, the Chinatown community desires control of any profits, to be reinvested in the community. Therefore, it is expected that the successful bidder will be a community non-profit, and that the structure of the successful proposal will imply a for-profit arm of a non-profit entity.

The CEDG will develop Requests for Qualifications (RFQ's) and Requests for Proposals (RFP's) for all activities as detailed in the Chinatown economic development plan. However, in light of the urgency of this activity, the Task Force recommends that CECTF continue the street sweeping and steam cleaning activities (as for-profit activities) on an interim basis through at least January 1993. After the interim period, the CEDG may choose to issue RFQ's and RFP's for the street cleaning and steam cleaning operations. See "General Implementation Strategy" (Section IV) for a full description of the CEDG and related processes to ensure that the execution of this program is consistent with any applicable Federal, state or local guidelines related to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

## B. CHINATOWN BANNERS PROGRAM

### **OBJECTIVE:**

To create a festive, attractive atmosphere conducive to tourism and to develop a distinctive community identity for Chinatown.

### **ALLOCATION AMOUNT AND BASIS:**

\$50,000; May vary according to design, bids and installation costs.

### **PROGRAM DESCRIPTION AND STRUCTURE:**

Placement of decorative flags and banners from Bush to Broadway Streets along Grant Avenue, and on east/west streets from Sacramento to Broadway Streets, up to Stockton Street and down to Kearny Street. Approximate total number of banners is one hundred thirty one (131).

Installation costs may be reduced because the Department of Public Works (DPW) might lend cherry pickers and provide installation services for free.

### **IMPLEMENTATION:**

The program qualifies as a public space improvement activity under CDBG guidelines. To ensure that the Chinatown Banners program is as effective as possible, an open bid process will be employed. See the summary on "General Implementation Strategy" for a description of the process by which the Task Force will ensure that specifications of RFQs and RFPs, evaluation procedures, and process are consistent with any applicable Federal, State or

local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

### 3. MARKETING

#### **BACKGROUND:**

Chinatown is the #2 tourist attraction in San Francisco. According to the SF Convention and Visitors Bureau, 72% of out-of-area tourists to the Bay Area visit Chinatown. Chinatown is featured prominently in Convention Bureau guides, and in most tourist-oriented brochures about San Francisco. The Task Force believes that any decrease in revenues from out-of-area tourists is a function of macroeconomic factors which are beyond the scope of the Task Force.

However, Chinatown as a tourist, shopping and cultural destination has not been marketed in a concentrated way to the 6 million residents of the Bay Area, including San Franciscans living outside Chinatown. Focus groups conducted with Bay Area residents by the Mayor's Office of Business and Economic Development in the summer of 1990 suggested that while Bay Area residents exhibit a high awareness of the existence of San Francisco's Chinatown, most were not aware of the shopping, dining and cultural opportunities available. Others indicated that their visitation patterns to Chinatown had been disrupted by post-quake freeway closures, and that Chinatown was no longer a "top of mind" location. Respondents suggested that "good Chinese restaurants exist closer to home, so why visit Chinatown?"



The Chinatown Task Force believes there is significant potential to gain a larger share of the Bay Area dollar by marketing the unique qualities of Chinatown more aggressively to Bay Area residents. According to Convention Bureau estimates, the typical Bay Area resident on a day trip to San Francisco spends \$80 per day, with almost all of this \$80 going to retail and restaurant establishments. Assuming this \$80 were spent in Chinatown, a \$500,000 marketing program would "break even" if it resulted in a total of only 12,500 additional visits to Chinatown -- an eminently attainable objective, considering that at least some "first time" visitors to Chinatown are likely to return again.

#### Task Force Recommendation

To gain a larger share of the Bay Area dollar, the Task Force recommends implementation of the following programs:

- A. Chinatown Collateral Material Marketing Program
- B. Chinatown Event Series
- C. Major Chinatown Street Fair



#### A. CHINATOWN COLLATERAL MATERIAL MARKETING PROGRAM

##### OBJECTIVE:

Design and create collateral materials which market Chinatown as an attractive destination to San Francisco and Bay Area residents, to increase foot traffic in Chinatown; attempt to return pedestrian traffic to at least pre-quake levels.

##### ALLOCATION AMOUNT AND BASIS:

\$200,000; based on past experience of subcommittee members and invited participants in developing and printing analogous materials. Funds would be used for design, printing and distribution of collateral materials.

##### PROGRAM DESCRIPTION AND STRUCTURE:

The Task Force recommends development and distribution of collateral marketing materials for Chinatown. Two expected elements of the marketing program would be:

##### Creation of Chinatown Rack Brochure Guides

The Task Force envisions design and printing of an attractive, 4-color brochure for regional distribution. The brochure would presumably include:

- o A generalized map of Chinatown;
- o Highlights of key Chinatown cultural, commercial and dining opportunities, possibly including a suggested walking tour;

- o Lists of key Chinatown dates, such as the Chinese New Years Parade, Chinese Holidays, Chinatown street fairs, etc;
- o Lists of key organizations to contact for more information about Chinatown;
- o Access routes to Chinatown, and parking facilities within Chinatown;
- o Existence of the Park-and-Ride Shuttle.

The brochure would market Chinatown as a whole, rather than individual businesses. The distribution strategy would presumably include:

1. SF Airport information booth
2. Local and remote BART stations
3. Convention Bureau information booths and kiosks
4. Inserts in selected Bay Area newspapers
5. Targeted mailings to selected Bay Area zip codes
6. Major Chinatown events
7. Chinatown merchants (complimentary copies to distribute at their discretion)

The number of brochures to be printed would be sufficient to keep the areas mentioned above continuously stocked; the Task Force envisions approximately 1 million brochures as a first run.

#### Design, Coordination and Creation of Chinatown Shoppers Guides

The Task Force envisions creation of self-liquidating shoppers guides which advertise Chinatown in general, and particular Chinatown businesses which

pay for advertising space. The paid advertising space could be used for advertisements, for individual discount coupons/price promotions, or for group price promotions.

Much of the information contained in the Rack Brochures would also be incorporated in the shoppers guides. However, the guide would differ in several respects:

- o As a self-liquidating guide, individual businesses would pay for advertising space in the guide. The fee would be sufficient to pay completely for design, printing and distribution of the guide.
- o Distribution would be primarily through newspaper inserts or direct mail to targeted Bay Area Zip codes. In addition, a quantity of the guides would be distributed to merchants themselves, for their distribution.
- o The guide would include an index of participating merchants, sorted by business type.

The implementing group would be responsible for producing brochures only if a sufficient number of Chinatown businesses participated in the program to render it self-liquidating.

#### **IMPLEMENTATION:**

The program does not meet all the eligibility criteria under CDBG guidelines, however, staff will continue to explore alternatives since the Task Force has identified this program as an important priority.

In the event that alternatives cannot be identified, the funds allocated for this program will revert instead to the Working Capital Loan Fund pool, or to an alternative program developed by the CEDG.

To ensure that the Collateral Material Marketing program is as effective as possible, an open bid process will be employed. See "General Implementation Strategy" for a description of the process by which the Task Force will ensure that specifications of RFQs and RFPs, evaluation procedures, and process are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

## B. CHINATOWN EVENT SERIES

### OBJECTIVE:

Create series of "happenings" in Chinatown, providing Bay Area residents with a reason to view Chinatown as a "destination point," rather than an incidental point of visitation; make Chinatown an exciting place to visit, with the intent of increasing pedestrian foot traffic.

### ALLOCATION AMOUNT AND BASIS:

\$150,000; based on Task Force estimates. Funds would be used for organizing and publicizing the events, and for any materials (e.g., tables, booths, etc.) required.

### PROGRAM DESCRIPTION AND STRUCTURE:

The Task Force envisions creation and marketing of a periodic series of "street events" featuring the history, arts, culture, apparel, foods, etc. Chinatown artisans, chefs, historians, merchants and other individuals with skills or knowledges unique to Chinatown would be recruited, on a pro bono basis, to do rotating demonstrations, set up outdoor exhibits, talks, etc within Chinatown on a periodic basis. These events might take place in one location (such as Portsmouth Square), or in revolving locations around Chinatown. The objective of the event series is to create a sense of activity and excitement in Chinatown, and the public perception that on any given weekend "something is happening" (much the same approach as that used successfully at Pier 39.)



#### **IMPLEMENTATION:**

The program does not meet all the eligibility criteria under CDBG guidelines, however, staff will continue to explore alternatives since the Task Force has identified this program as an important priority.

In the event that alternatives cannot be identified, the funds allocated for this program will revert instead to the Working Capital Loan Fund pool, or to an alternative program developed by the CEDG.

To ensure that the Event Series program is as effective as possible, an open bid process will be employed. See "General Implementation Strategy" for a description of the process by which to ensure that specifications of RFQs and RFPs, evaluation procedures, and process are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.



### C. MAJOR CHINATOWN STREET FAIR

#### **OBJECTIVE:**

Organize major "street fair" in Chinatown to attract a large number of first-time visitors to Chinatown, to expose them to community offerings and increase future foot traffic through repeat visit.

#### **ALLOCATION AMOUNT AND BASIS:**

\$150,000; based on budgets for similar events. Funds would be used for organizing and publicizing the event.

#### **PROGRAM DESCRIPTION AND STRUCTURE:**

The Task Force envisions organization and marketing of a major Street Fair in early fall. The early fall date provides a major Chinatown events to complement the Chinese New Years Parade which takes place in February.

Those persons participating in the event series, as well as other Chinatown artisans, chefs, historians, merchants and other individuals with skills or knowledges unique to Chinatown would be offered the opportunity to participate in the event. All participants, performers or exhibitors would be consistent with Chinatown's uniqueness.

#### **IMPLEMENTATION:**

The program does not meet all the eligibility criteria under CDBG guidelines, however, staff will continue to explore alternatives since the Task Force has identified this program as an important priority.

In the event that alternatives cannot be identified, the funds allocated for this program will revert instead to the Working Capital Loan Fund pool, or to an alternative program developed by the CEDG.

To ensure that the Major Chinatown Street Fair is as effective as possible, an open bid process will be employed. See "General Implementation Strategy" for a description of the process by which to ensure that specifications of RFQs and RFPs, evaluation procedures, and process are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

#### 4. FINANCE AND LONG-RANGE PLANNING

##### BACKGROUND

The recent economic downturn in Chinatown has created a problematic situation for many Chinatown merchants. On the one hand, recession, earthquake and general economic restructure have cut into revenues, and necessitated new merchandising strategies to compensate and to attract new business. On the other hand, although the businesses remain marginally viable, the lack of free cash flow precludes implementation of strategies which would allow them to expand their economic base.

The Chinatown Task Force feels strongly that the overall program which it proposes -- along with general macroeconomic changes likely in the next few years and replacement of disrupted freeway access to Chinatown -- will revive the Chinatown economy over the next 3-5 years. However, there is a strong need to provide access to capital for individual Chinatown businesses in the short-term, to ensure their continued viability. If such capital is not provided, dozens of Chinatown businesses may be unable to succeed in the short-term, with a resulting loss of hundreds of jobs. On the other hand, the provision of such capital would facilitate institution of new merchandising strategies which would not only preserve hundreds of jobs, but create dozens as well.

Currently, the City offers below-market loans to small businesses throughout the City, including Chinatown. However, the structure of these programs

precludes their use by merchants for purposes described herein, since existing loan programs cannot be used to fund working capital (they can be used only for expansion or upgrade of physical plant). While the existing loan programs fill an important need in less-developed areas of the City, they are not appropriate to meet the needs of Chinatown.

#### Task Force Recommendation

The Task Force recommends that a Working Capital Loan Program be implemented to provide short term working capital loans to Chinatown merchants.

The Mayor's Office of Business and Economic Development (MOBED) conducts small business seminars that provide business owners and managers with additional marketing and merchandising skills. The Task Force recommends that these seminars be conducted for Chinatown merchants, bilingually, to attract the greatest audience.

Finally, to address long-term issues affecting the Chinatown community, the Task Force recommends creating a Long-Range Planning Committee and hiring a staff person that will oversee long-range planning activities in Chinatown.

#### A. WORKING CAPITAL LOAN PROGRAM

##### OBJECTIVE:

Help Chinatown businesses adversely affected by the aftermath of the Loma Prieta earthquake to avoid layoffs and add employees through a below-market, working capital loan program; help at least 50 such businesses during the lifetime of the program. Assistance is primarily targeted to retail businesses reliant on pedestrian traffic within S.F. Chinatown.

##### ALLOCATION AMOUNT:

\$500,000; Funds would be used as direct loans to Chinatown businesses; a small percentage might also be used to help with the administration of the program.

To the extent possible, financial institutions serving Chinatown will be asked to contribute to the program, thereby leveraging the \$500,000 City contribution. The goal would be an 80:20 ratio of bank to city capital, which would result in an overall pool of \$2.5 million. However, the loan program would proceed even without bank leverage.

##### PROGRAM DESCRIPTION AND STRUCTURE:

The \$500,000 loan pool will be established, with individual loans not to exceed \$50,000. Actual loan amounts will be based upon demonstrated need, and demonstrated ability to repay the loan.



It is anticipated that the interest rate would be substantially below-market, with a blended rate of approximately 8% likely, considering City and bank contributions. Loan origination fees and other miscellaneous fees related to loan processing, if any, would be kept to a minimum.

Eligible applicants are businesses engaging in a for-profit retail or wholesale trade, including beauty salons and other personal services but excluding professional services such as doctors, dentists and similar professions (i.e., SIC code 80); real estate insurers, brokers and agents (i.e., SIC code 65); lending institutions (i.e., SIC code 64); attorneys and legal services (i.e., SIC code 81); accountants and consultants (i.e., SIC codes 8721 and 8742); travel agents; and sewing contractors. Trade, special interest and family organizations, clubs, social organizations, schools, hospitals and clinics, and religious institutions, whether for-profit or non-profit, would not be eligible for loan funds.

Further, eligible applicants must have gross revenues not to exceed \$2.5 million for their most recent prior year, since areas of cost-cutting and maneuverability are greater for larger businesses which hence do not have the same need for access to working capital as smaller businesses with high fixed expenses as a percentage of gross receipts.

Asian Inc., one of the City's three Neighborhood Economic Development Organizations (NEDOs) which is physically located in the City's Northeast quadrant, would be responsible for marketing the availability of the loans,



screening and packaging loan submissions, and providing a preliminary credit analysis. The Mayor's Office of Business and Economic Development would evaluate loan packages submitted, and offer a staff recommendation with respect to whether the package is financially sound, and should be approved.

A loan board would be selected from the Chinatown financial community serving Chinatown by the CEDG, with input from staff; the loan board would be responsible for approving submitted loan packages, based on staff recommendation, on a loan-by-loan basis.

#### **IMPLEMENTATION:**

Financial institutions serving the Chinatown community have already indicated an interest in contributing to the loan pool. Upon approval of this final plan by all involved bodies, these financial institutions, with staff from MOBED and Asian Inc. will develop details regarding loan program mechanics, and implement the program. MOBED will work with Asian Inc. and with the SF Office of Community Development to ensure that specifications of the loan program are consistent with any applicable Federal, State or local guidelines relating to said program.

See "General Implementation" (Section IV) for a full description of the CEDG and related processes.

## B. CHINATOWN PROFITABILITY SEMINARS

### **BACKGROUND:**

The programs outlined in the Chinatown Economic Development Plan are primarily intended to bolster the Chinatown economy in a direct, short-term manner. Aesthetics programs will help to beautify Chinatown; marketing programs to let potential visitors know more about Chinatown; and access help them to get to Chinatown. In the long-term, however, the success of the program depends in part on the ability of the Chinatown merchant community to capitalize on the increased foot traffic. The \$2 million can help bring many more persons to Chinatown, but their propensity to return to spend additional dollars is in part dependent on successful merchandising. Many Chinatown merchants may be unfamiliar with marketing, merchandising, and selling techniques which would induce visitors to buy more goods.

The Mayor's Office of Business and Economic Development (MOBED) has conducted numerous, successful seminars on these topics for a Citywide audience. In the past, however, such seminars have not been tailored to the particular needs of the Chinatown community, nor have they been conducted bilingually. However, working with the Chinatown community, this could easily be accomplished.

### **OBJECTIVE:**

Provide as many Chinatown business owners and managers as possible with additional marketing and merchandising skills to help them add

profitability. Structure workshops to be consistent with additional pedestrian traffic generated by other program elements.

**ALLOCATION AMOUNT:**

\$15,000; Funds would be used entirely for room rental, marketing, logistics, etc. The seminars would be organized by MOBED, working with the CEDG.

**PROGRAM DESCRIPTION AND STRUCTURE:**

Three seminars held at a location in Chinatown over the next year, each conducted in both Chinese and English, will be offered to Chinatown merchants, entrepreneurs, and other organizations with public interaction. Topics might include:

- o Maximizing Retail Profits: Focusing on targeting and segmentation in light of Bay Area market trends, market research, marketing, store layout, and general management techniques for retail firms;
- o Maximizing Restaurant Profits: Focusing on marketing, store layout, and general management techniques for restaurants;
- o Selling to the Government: Focusing on winning contracts with the Federal, State and local government.

The seminars would be free, and publicized through direct mail, and public relations within the Chinatown-serving press. Jobs created as a result of this program will be tracked by MOBED.

**IMPLEMENTATION:**

This program provides technical assistance to businesses which makes it an eligible activity under CDBG guidelines. MOBED will organize the seminar series, working with the CEDG and in consultation with merchant groups in Chinatown. MOBED will work with the Mayor's Office of Housing and Community Development (MOHCD) to ensure that any expenditures in conjunction with the seminars are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds, and that appropriate City review is ensured while retaining program control within the community.

### C. CHINATOWN LONG-RANGE PLANNING COMMITTEE

#### **BACKGROUND:**

The objective of the Chinatown Economic Development Task Force has been a recommendation for the allocation of \$2 million for the economic revitalization of Chinatown. As such, the plan emphasizes the short- to medium-term viability of Chinatown businesses.

However, there are broader, long-term issues which inevitably must be addressed by the community. Such issues include, but are not limited to:

- o Long-term parking, traffic and accessibility issues;
- o Preserving the historic character of Chinatown, and preventing the proliferation of fast food restaurants, camera shops, etc. which are inconsistent with this historic character;
- o Affordability of commercial and residential rents.

Creating a forum in which to raise such issues to an appropriate level of discussion on an on-going basis is crucial to Chinatown's long-term viability. However, the CEDG's role in overseeing the progress of the expenditure of the \$2 million probably prevents them from also serving as a long-range planning body. Therefore, creating an additional body to oversee long-range planning is appropriate.

#### **OBJECTIVE:**

Create a forum for dialogue regarding long-range issues affecting Chinatown.



**ALLOCATION AMOUNT:**

\$85,000; Funds would be used to capitalize a staff person and administrative expenses for one year. In the short-term, the staff person's responsibility would focus on successful implementation of the economic development plan, as outlined in the General Implementation Strategy section of this document. In the medium- to long-term, the staff person would serve as staff to the long-range planning committee.

**PROGRAM DESCRIPTION AND STRUCTURE:**

To be developed by the Committee chairperson upon his or her appointment.

**IMPLEMENTATION:**

The CEDG will appoint a Chairperson for this long-range body, who would develop guidelines for the body upon his or her appointment.



#### IV. GENERAL IMPLEMENTATION STRATEGY

The Chinatown Economic Development Task Force was convened by the Mayor to advise the City how \$2 million of funds should be allocated to spur economic development in Chinatown.

The Task Force itself was never intended as an implementing body. However, the Task Force does recommend a procedure by which the priority programs they have identified would be developed and implemented. The implementation plan is intended to retain control of the \$2 million within the community, while ensuring a sufficient level of review and involvement by the City.

The Task Force recommends that implementation of the programs outlined in the area of "Aesthetics" be executed by the Chinatown Environmental Task Force (CECTF); this group would be responsible for executing the Aesthetics programs mentioned in a manner consistent with any applicable Federal, State and local guidelines relating to use of funds.

The Task Force recommends that the Chinatown Profitability Seminars be executed by MOBED; MOBED would be responsible for executing the Profitability Seminars in a manner consistent with any applicable Federal, State and local guidelines relating to use of funds.

The Task Force recommends that the Working Capital Loan Program be executed by Asian Inc., in conjunction with the Mayor's Office of Business & Economic

Development (MOBED). ASIAN Inc. would be responsible for executing the Working Capital Program in a manner consistent with any applicable Federal, State or local guidelines relating to use of funds; MOBED would retain ultimate responsibility for the program's operation.

To carry forward the implementation in the areas of Access, Marketing and Finance, the Task Force believes an open bid process is appropriate to ensure that the most qualified group in Chinatown is selected to carry out the programs involved.

To facilitate this process, the Chinatown Task Force recommends incorporation as a non-profit called the "Chinatown Economic Development Group" (CEDG). The CEDG will consist of a Board of Directors consisting of current members of the Chinatown Task Force who wish to serve as members of the non-profit, and a staff person paid for out of the \$2 million. Any current Task Force member wishing to serve on the CEDG will so indicate to the current Task Force Chairperson, Sidney Chan, within three weeks of approval of the plan by the Redevelopment Commission. If fewer than 11 persons wish to serve, remaining CEDG members will select replacements from among the Chinatown community. In addition, any Board member absent for two consecutive CEDG Board meetings without being excused by the Chairperson, at the Chairperson's discretion, forfeits their membership on the Board.

In addition, two ex-officio members will be appointed to the Board: a representative selected by the Redevelopment Commission, and a

representative selected by the CDBG Citizens Committee on Community Development. The ex-officio members will help to ensure liaison and communications between the CEDG and the overseeing city agencies as implementation progresses.

The Board of Directors will establish their own structure and guidelines for operating, consistent with any Federal, State or local guidelines which might relate to such operations.

A staff person will be hired by the Board of Directors. This individual would report to the Chairperson of the Board of Directors, and would be physically located in the Mayor's Office.

On behalf of the CEDG, the staff person would:

- o Develop draft RFPs and RFQs in conjunction with the Board of Directors and any appropriate City staff to ensure that their specifications, as well as evaluation procedures, are consistent with any applicable Federal, State or local guidelines relating to award procedures or use of funds;
- o Submit RFPs and RFQs to the Redevelopment Commission and Citizens Committee, for their information, prior to their issuance;
- o Issue RFPs and RFQs in a manner which ensures adequate public notice;
- o Receive RFQ and RFP responses; evaluate responses, in conjunction with the CEDG;

- o Inform the Redevelopment Commission and Citizens Committee of firms selected to implement programs through bid process, as well as details of the programs
- o Act as a liaison between the winning contractor and the City, to ensure that implementation proceeded in a timely manner, and in a manner consistent with any applicable Federal, State or local guidelines relating to use of funds.

In addition, the staff person would serve as a liaison between the CEDG and the CECTF (with respect to Aesthetics programs); between CEDG and ASIAN Inc. (with respect to the working capital loan program); and between CEDG and MOBED, with respect to the Chinatown profitability seminars, to facilitate final CEDG approval of detailed plans prior to implementation.

In the event that any proposed program cannot be implemented, either because of conflicts with CDBG guidelines or for operational reasons, funds allocated for that program will revert to the working capital loan fund pool, or to an alternative program developed by the CEDG. In addition, if unspent funds remain in any program at the conclusion of the program's lifetime, these funds will revert to the working capital loan fund pool, or to an alternative program developed by the CEDG.

The CEDG Board of Directors would be responsible for approving the final RFQs and/or RFPs before they are issued by the staff person, evaluating responses, and awarding the work. The Redevelopment Commission and Citizens



Committee on Community Development will be informed of these CEDG approvals, evaluations and awards.

In addition, the CEDG Board would be responsible for approving the finalized Aesthetics, working capital loan, and profitability seminar programs. Again, the Redevelopment Agency Commission and the Citizens Committee on Community Development will be informed of these approvals.

It is likely that individuals who have served with distinction on the Chinatown Task Force, or who will serve on the CEDG, are members or employees of businesses or organizations which might wish to offer proposals for implementing programs funded with the \$2 million. Such service will not disqualify any otherwise-eligible organization or business from submitting a proposal to the CEDG. However, any individual with a conflict of interest as defined by Federal, state or local government guidelines will be ineligible to participate in the evaluation of bids for that particular program; moreover, such individuals will not participate in any meetings in which proposals to execute the particular programs are discussed, ranked, evaluated or voted upon.

It is assumed that there would be preference in the evaluation process for firms located in or serving the community. For purposes of this program, Chinatown is defined as the area identified as Chinatown in the 1988 Chinatown Rezoning Study update.

APPENDIX 1





CHINATOWN COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

PRELIMINARY PLAN

8/26/91

Prepared by

The Chinatown Economic Development Task Force

with

The Mayor's Office of Business and Economic Development

The Mayor's Office of Housing and Community Development

The San Francisco Redevelopment Agency



# CHINATOWN COMMUNITY ECONOMIC DEVELOPMENT TASK FORCE

## PROGRAM EMPHASIS:

### 1. ACCESS

## OBJECTIVE:

To improve accessibility and parking for people visiting Chinatown

## NO. PROGRAM DESCRIPTION

## PROGRAM OBJECTIVE

### PRIORITY PROGRAMS

1 Operation and Marketing of Shuttle.

To increase Chinatown parking capacity.

2 General Marketing of Chinatown Parking Capacity.

To increase public awareness of parking opportunities within and around Chinatown.

## PROGRAMS MERITING FURTHER STUDY

0 Bilingual Signage/Maps in MUNI, BART and Regional Transportation nodes

To provide adequate public transportation information to chinese speaking residents and potential visitors.

0 "Elephant Train" to Chinatown

To provide easier access from key satellite MUNI and BART stops to and within Chinatown.

0 Enforce Double Parking Laws

To facilitate the flow of vehicular traffic in Chinatown.

0 Promote other garages when Portsmouth Garage is full

To inform & encourage the public to use alternative parking garages in Chinatown.

0 Restructure evening Parking Fees at Portsmouth Garage

To encourage visitors to come to Chinatown in the evenings by reducing parking cost.

0 Reverse directionality of one-way streets

To improve vehicular traffic patterns within and around Chinatown to encourage visitation.

0 Supplemental MUNI service to Chinatown

To provide more public transportation opportunities to and from Chinatown.

PROGRAM EMPHASIS:

OBJECTIVE:

2. AESTHETICS

To make Chinatown more attractive to visitors.

NO.	PROGRAM DESCRIPTION	PROGRAM OBJECTIVE
PRIORITY PROGRAMS		
1	To improve cleanliness of Chinatown (ie; increased garbage pickup, additional public receptacles, continuation of sidewalk sweeping and steam cleaning programs)	To make Chinatown more appealing to residents and visitors.
2	Decoration of Chinatown (ie; banners, ornamental lamps)	To improve image of Chinatown for residents and visitors.
PROGRAMS MERITING FURTHER STUDY		
0	Brighter Street Lights	To make Chinatown safer during the evenings.
0	Education of Newcomers, Schools & Merchants	To promote more awareness among Chinatown residents and merchants about keeping Chinatown clean.
0	Enforcement of Ordinances against "Street Merchants" without proper licenses	To keep sidewalks in Chinatown accessible for pedestrians and reduce illegal competition for legitimate business.
0	New garbage receptacles and benches	To provide more opportunities to keep Chinatown clean.
0	Repair Street Lights	To make Chinatown safer during the evenings.
0	Stockton Tunnel Refurbishing	To make this key access to Chinatown more inviting to potential visitors.
0	Storefront Display Boxes	To keep sidewalks in Chinatown accessible for pedestrians and improve merchandising displays.
0	Vermiin Control Program	To reduce vermin level in Chinatown.

CHINATOWN COMMUNITY ECONOMIC DEVELOPMENT TASK FORCE

PROGRAM EMPHASIS:

3. MARKETING

OBJECTIVE: To develop strategies that will bring more people to Chinatown.

NO. PROGRAM DESCRIPTION

PRIORITY PROGRAMS

PROGRAM OBJECTIVE

1 Chinatown Marketing

(ie; brochures/maps, shoppers guides)

To market Chinatown attractions to potential visitors.

2 Chinatown Event Series

To create a series of special events and happenings, which would occur on a regular basis, and would feature the uniqueness of Chinatown.

3 Major Chinatown Event

To attract a significant number of visitors, and to encourage return business; to create a celebration.

PROGRAMS MERITING FURTHER STUDY

0 Chinatown-wide Post Thanksgiving Sale

To create an opportunity for merchants to sell their products.

0 Consolidated Tours of Chinatown

To leverage existing opportunities to market Chinatown by joint marketing and to expand the audience for such tours.

0 Creation of New Cultural Interest Points

To create a sense of excitement and differentiation for Chinatown which would help attract tourists and residents.

0 General Image Advertising in Media

To generate positive publicity for Chinatown through limited radio and newspaper campaigns.

0 Permanent Signage indicating Attractions

To make Chinatown more "user friendly" to residents and tourists.



# CHINATOWN COMMUNITY ECONOMIC DEVELOPMENT TASK FORCE

## PROGRAM EMPHASIS:

### OBJECTIVE:

#### 4. PLANNING

To develop programs that will provide planning and marketing assistance to Chinatown residents and merchants.

NO.	PROGRAM DESCRIPTION	PROGRAM OBJECTIVE
PRIORITY PROGRAMS		
1	Working Capital Loan Program	To explore the possibility of creating a "Working Capital" Fund that would provide "survival" loans to Chinatown merchants over the next 3 to 5 years.
2	Conduct workshops/seminars for Chinatown merchants	To provide free seminars to Chinatown merchants that will educate them on how to successfully market and merchandise their products to the full range of potential customers.
3	Create Chinatown "Long-Range Planning & Evaluation" Committee	To establish group to plan for implementation of Task Force recommendations; to evaluate program success; and to address long-term issues affecting Chinatown.

## **NOTICE OF WORKSHOP**

By the

**THE CHINATOWN ECONOMIC DEVELOPMENT TASK FORCE**

and the

**THE SAN FRANCISCO REDEVELOPMENT AGENCY**

THE REDEVELOPMENT AGENCY COMMISSION WILL HOLD A WORKSHOP  
ON A DRAFT FINAL PLAN FOR THE CHINATOWN ECONOMIC DEVELOPMENT PROGRAM  
on

**TUESDAY, DECEMBER 17, 1991, 4:00 P.M.**

at the

**SAN FRANCISCO REDEVELOPMENT AGENCY  
COMMISSION BOARD ROOM, THIRD FLOOR  
770 GOLDEN GATE AVENUE  
SAN FRANCISCO, CALIFORNIA**

ALL INTERESTED PARTIES AND INDIVIDUALS ARE ENCOURAGED TO ATTEND  
THE WORKSHOP AND TO COMMENT ON THE DRAFT FINAL PLAN.  
COPIES OF THE DRAFT FINAL PLAN ARE AVAILABLE FOR REVIEW.

PLEASE CONTACT:

DAVID CHENOK

THE MAYOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT  
at 554-8930

or

PHILIP WILLIAMS

THE REDEVELOPMENT AGENCY  
at 749-2484

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